

REMARKS

The telephone conference with the Examiner on May 17, 2007 is gratefully acknowledged. Claims 1-31 are pending. Claims 12-22 and 27-30 are allowed. The allowance of claims 12-22 and 27-30 is gratefully acknowledged. Claims 1-11 and 23-26 are rejected. Amendmenst have been made to claims 1 and 23.

Claim Rejections – 35 U.S.C. § 101

Claims 1-11 and 23-26 were rejected under 35 U.S.C. 101 because the Examiner believes the claims are drawn to a computer implemented process that merely manipulates data or an abstract idea without a limitation to a practical application in the technological arts. The Applicants respectfully disagree. Claims 1-11 and 23-26 relate to receiving coefficients, requantizing coefficients of a bit stream, and transmitting the coefficients. Although the claims are believed to provide a useful, tangible, and concrete result, claim 1 and 23 have been amended to facilitate prosecution.

Claims 1 and 23 have been amended to recite sending a plurality of output coefficients (F_o) quantized at the output quantization scale to a network device. Claims 1 and 23 now relate to receiving coefficients, modifying coefficients, and sending coefficients to a network device. These are believed to be useful, tangible, and concrete results.

In light of the above remarks and claim amendments, the Applicants believe that all pending claims are allowable in their present form. Please feel free to contact the undersigned at the number provided below if there are any questions, concerns, or remaining issues.

Respectfully submitted,
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